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CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

September 2021 Traffic Figures

The appended press release contains traffic figures for September 2021 for Cathay Pacific Airways Limited (“**Cathay Pacific**”). The information in the press release may be price sensitive. This announcement containing the press release is accordingly being issued pursuant to Part XIVA of the Securities and Futures Ordinance. The information in the press release has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

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Investors are advised to exercise caution in dealing in shares of Cathay Pacific.

As at the date of this announcement, the Directors of Cathay Pacific are:

Executive Directors: Patrick Healy (Chairman), Gregory Hughes, Ronald Lam, Rebecca Sharpe, Augustus Tang;

Non-Executive Directors: Guy Bradley, Ma Chongxian, Song Zhiyong, Merlin Swire, Samuel Swire, Xiao Feng, Zhang Zhuo Ping, Zhao Xiaohang;

Independent Non-Executive Directors: Bernard Chan, John Harrison, Robert Milton and Andrew Tung.

By Order of the Board

Cathay Pacific Airways Limited

Joanna Lai

Company Secretary

Hong Kong, 19 October 2021

19 October 2021

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES TRAFFIC FIGURES
FOR SEPTEMBER 2021**

Cathay Pacific today released its traffic figures for September 2021 that continued to reflect the airline's substantial capacity reductions in response to significantly reduced demand as well as travel restrictions and quarantine requirements in place in Hong Kong and other markets amid the ongoing global COVID-19 pandemic.

Cathay Pacific carried a total of 131,774 passengers last month, an increase of 180% compared to September 2020, but a 94.6% decrease compared to the pre-pandemic level in September 2019. The month's revenue passenger kilometres (RPKs) rose 158.7% year-on-year, but were down 92.1% versus September 2019. Passenger load factor increased by 20.9 percentage points to 45.8%, while capacity, measured in available seat kilometres (ASKs), increased by 40.4%, but remained 87.4% down on September 2019 levels. In the first nine months of 2021, the number of passengers carried dropped by 89.4% against a 71.7% decrease in capacity and an 85.9% decrease in RPKs, as compared to the same period for 2020.

The airline carried 130,997 tonnes of cargo and mail last month, an increase of 19.7% compared to September 2020, but a 24.1% decrease compared with the same period in 2019. The month's revenue freight tonne kilometres (RFTKs) rose 22.3% year-on-year, but were down 14.3% compared to September 2019. The cargo and mail load factor increased by 3.8 percentage points to 79.7%, while capacity, measured in available freight tonne kilometres (AFTKs), was up by 16.4% year-on-year, but was down 29.6% versus September 2019. In the first nine months of 2021, the tonnage decreased by 5.5% against a 17.8% drop in capacity and a 7.3% decrease in RFTKs, as compared to the same period for 2020.

Passenger

Chief Customer and Commercial Officer Ronald Lam said: "Following on from August, our passenger business continued to see some improvement in September. Average daily passenger numbers were at similar levels to the previous month, while on 17 September we carried a total of 6,562 passengers, the highest total for a single day since late March 2020. Nevertheless, we still operated only approximately 13% of our pre-pandemic passenger capacity when compared to September 2019.

"Student traffic from the Chinese Mainland continued to contribute strongly to the performance of our passenger business. As was anticipated, demand for student travel to the US was strong at the beginning of the month, but tapered down before being overtaken by growing student traffic from Hong Kong and the Chinese Mainland to the UK. Besides, passengers travelling within Asia via Hong Kong was also a key driver for demand. In contrast, passenger demand for flights into Hong Kong remained very weak due to the strict quarantine requirements.

Cargo

“Cargo demand continued to grow as we stepped into the traditional cargo peak season. To meet this demand, we operated our freighter fleet at peak capacity throughout September, further supplemented with additional cargo-only passenger flight operations, which surged 20% compared to August. Overall, we managed to operate approximately 70% of our pre-pandemic cargo capacity when compared to September 2019.

“Overall tonnage grew month-on-month by more than 5% to 130,997 tonnes – the most cargo we’ve carried in a single month since the start of the COVID-19 pandemic. Strong performances were recorded across our network, with our home market Hong Kong and a number of Southeast Asian countries achieving record revenues in September. Our time-sensitive Priority LIFT product, as well as our charter and “preighter” solutions, have also seen keen interest from customers.

Outlook

“Looking ahead to October, on the passenger side student traffic to London continued into early in the month. Meanwhile, we are continuing to monitor and assess the potential opportunities for demand from the relaxation of quarantine requirements for travellers flying to various markets, most notably the US.

“Regarding cargo, demand continues to be robust driven by the movement of new consumer products and the urgent need for inventory replenishment due to supply chains remaining constrained. To meet these challenges, our worldwide teams have been working diligently to provide more capacity and expand our network for our customers whilst continuing to meet the ongoing operational challenges posed by the COVID-19 pandemic.”

The full September figures are on the next page.

AIRLINES COMBINED TRAFFIC	SEP 2021	% Change VS SEP 2020	Cumulative SEP 2021	% Change YTD
RPK (000)				
- Chinese Mainland	67,924	616.4%	221,293	-71.6%
- North East Asia	7,649	45.0%	53,420	-97.4%
- South East Asia	21,914	23.1%	150,490	-93.6%
- South Asia, Middle East & Africa	7,359	-	23,805	-98.4%
- South West Pacific	15,951	-30.1%	121,919	-96.2%
- North America	307,143	246.8%	1,431,122	-74.4%
- Europe	352,521	123.4%	740,895	-81.7%
RPK Total (000)	780,461	158.7%	2,742,944	-85.9%
Passengers carried	131,774	180.0%	478,363	-89.4%
Cargo and mail revenue tonne km (000)	823,088	22.3%	5,661,167	-7.3%
Cargo and mail carried (000kg)	130,997	19.7%	926,363	-5.5%
Number of flights	1,996	55.6%	11,795	-38.9%

AIRLINES COMBINED CAPACITY	SEP 2021	% Change VS SEP 2020	Cumulative SEP 2021	% Change YTD
ASK (000)				
- Chinese Mainland	107,840	161.4%	558,705	-58.6%
- North East Asia	56,641	64.0%	403,769	-86.9%
- South East Asia	111,919	22.5%	741,379	-81.3%
- South Asia, Middle East & Africa	18,280	-	94,628	-95.8%
- South West Pacific	323,939	111.4%	1,853,791	-61.1%
- North America	575,710	11.5%	3,608,228	-61.2%
- Europe	510,439	35.4%	1,546,842	-75.7%
ASK Total (000)	1,704,768	40.4%	8,807,342	-71.7%
Passenger load factor	45.8%	20.9pt	31.1%	-31.3pt
Available cargo/mail tonne km (000)	1,033,340	16.4%	7,020,116	-17.8%
Cargo and mail load factor	79.7%	3.8pt	80.6%	9.2pt
ATK (000)	1,196,002	19.2%	7,858,883	-31.7%

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Glossary

Terms:

Available seat kilometres (“ASK”)

Passenger seat capacity, measured in seats available for the carriage of passengers on each sector multiplied by the sector distance.

Available tonne kilometres (“ATK”)

Overall capacity measured in tonnes available for the carriage of passengers, excess baggage, cargo and mail on each sector multiplied by the sector distance.

Available cargo/mail tonne kilometres

Cargo capacity measured in tonnes available for the carriage of cargo and mail on each sector multiplied by the sector distance.

Revenue passenger kilometres (“RPK”)

Number of passengers carried on each sector multiplied by the sector distance.

Cargo and Mail revenue tonne kilometres

Traffic volume, measured in load tonnes from the carriage of cargo and mail on each sector multiplied by the sector distance.

Ratio:

$$\text{Passenger/Cargo and mail load factor} = \frac{\text{Revenue passenger kilometres/} \\ \text{Cargo and mail revenue tonne kilometres}}{\text{Available seat kilometres/} \\ \text{Available cargo and mail tonne kilometres}}$$